

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6194**

**BILL NUMBER:** HB 1058

**NOTE PREPARED:** Jan 22, 2003

**BILL AMENDED:** Jan 21, 2003

**SUBJECT:** Health Care for Riverboat Employees.

**FIRST AUTHOR:** Rep. Cheney

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
☒ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires reimbursement to the state and local governments for payment for certain health care program benefits provided to full-time riverboat casino employees and their dependants.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** (Revised) The bill requires a riverboat casino owner to reimburse state and local governments for the costs of health care services provided to the riverboat owner's full-time employees and the dependents of those employees that are provided care under Medicaid, the CHIP program, the Hospital Care for the Indigent Program, Township Poor Relief, or the Children with Special Health Care Needs program. The bill requires the state or local government entity paying the costs to submit a statement of the costs within 60 days of when the costs were incurred. A riverboat owner is not required to make reimbursement of such costs if the owner demonstrates to the satisfaction of the governmental entity that the owner has made health insurance available to the full-time riverboat employee and the employee's dependents at a total cost, including premiums, deductibles, and copayment, of less than 3% of the employee's gross income.

It is important to note that some full-time employees may not meet the eligibility requirements for these public health care programs. The average compensation for riverboat employees ranges from \$22,000 to \$34,000, and many of these boats provide health insurance as a benefit (see Table 1). The income eligibility requirements for the Hoosier Healthwise program are based upon 200% of the federal poverty level (FPL) guidelines. For a family of four, the yearly income limit to be eligible for no-cost coverage is \$27,150 and \$36,000 for low-cost coverage. The income requirement for Medicaid eligibility ranges from 23% of the FPL

- \$2,748/year (Low-income families) to 200% of the FPL - \$17,724/year for an individual (a qualified disabled worker).

A large number of full-time employees could potentially pay at least 3% of their income for premiums, copayments, and deductible due to high employee premiums, depending upon the level of benefits offered in a riverboat health plan. However, these full-time employees may not meet the eligibility requirements for a public health program. For example, 3% of an employee's salary who makes \$30,200 per year would be \$75.50 per month (\$906 annually) in total premium, copayment, and deductible (see Table 1). An employee at this salary may or may not be eligible for a public health program, depending upon the number of dependents and other factors.

**Table 1: Average Employee Compensation at Various Riverboat Casinos.**

	Harrah's	Argosy <sup>2</sup>	Trump <sup>2</sup>	Majestic Star <sup>2</sup>	Horseshoe <sup>2</sup>	Aztar <sup>3</sup>
Total Comp	\$57.6 M	\$77 M	\$28.6 M	\$38.7 M	\$52.1 M	\$30.6 M
# Employees	1,906	2,259	1,170	1,259	2,301	1,089
Average Comp	\$30,200	\$34,071	\$24,416	\$30,743	\$22,656	\$28,367
3% Salary Equiv/mo.	\$75.50	\$85.18	\$61.04	\$76.86	\$56.64	\$70.29

Notes: 1 - 2001 data, 2 - 2000 data, 3 - 1999 data. Five year license reports, Center for Urban Policy and Environment, IU.

The average compensation is an average, meaning some individuals could be significantly higher or lower than this number. Available data suggest that these six casinos currently provide health care benefits to employees

The number of individuals that would be subject to this provision is not known. The impact of this provision is indeterminable. The state may incur increased costs due to having to track who is receiving state-funded health services, whether they meet the criteria of this bill, and billing the appropriate casino.

**Explanation of State Revenues:** (Revised) The state may be reimbursed by riverboat casinos for health care expenditures for full-time employees. The extent of these payments is undeterminable. See *Explanation of State Expenditures*.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) Local governments may be reimbursed by riverboat casinos for health care expenditures for full-time employees. The extent of these payments is undeterminable. See *Explanation of State Expenditures*.

**State Agencies Affected:** Office of Medicaid Policy and Planning, FSSA.

**Local Agencies Affected:**

**Information Sources:** Indiana University, Center for Urban Policy and Environment, Five-Year License Reports for: Harrah's Chicago East, Argosy, Trump, Majestic Star, Horseshoe, and Aztar casinos.

**Fiscal Analyst:** Michael Molnar, 317-232-9559